

Decision 02-11-071 November 21, 2002

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Investigation on the Commission's Own  
Motion Into the Performance Obligations of  
Qualifying Facilities Pursuant to Contracts  
with California Public Utilities.

Investigation 01-04-027  
(Filed April 19, 2001)

**ORDER TERMINATING INVESTIGATION**

On April 19, 2001, this Commission opened an investigation regarding the performance of Qualifying Facilities (QFs) under contract for the delivery of electricity to Southern California Edison Company (Edison), San Diego Gas & Electric Company (SDG&E), and Pacific Gas and Electric Company (PG&E). QFs are small power plants, alternative generation facilities, and cogeneration plants that have been granted a fundamental privilege under the federal Public Utility Regulatory Policies Act of 1978 (PURPA). Regulated public utilities are obligated to enter into contracts to purchase power produced by QFs that have been certified by the Federal Regulatory Commission (FERC). (16 U.S.C. § 824a-3(a)(2).) This Commission is mandated to approve and oversee the contracts, including pricing and performance terms and conditions.

We opened this investigation because we had received reports of QFs refusing to perform under their contracts on a going-forward basis despite our actions to require that utilities make payments going-forward. At that time, with a significant portion of the State's electricity supply entangled in these disputes, it was urgent that this Commission exercise its authority to identify the performance obligations of various QFs.

The Energy Division of the Commission has done extensive work in regard to this investigation and has submitted data showing that we no longer need to identify the performance obligations of QFs. To continue this investigation would divert staff and resources from more pressing needs. Therefore, this investigation should be terminated.

**Comments on Draft Decision**

The draft decision of the ALJ in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. No comments were filed.

**Assignment of Proceeding**

Carl Wood is the Assigned Commissioner and Robert Barnett is the assigned Administrative Law Judge in this proceeding.

**IT IS ORDERED** that this Investigation is terminated.

This order is effective today.

Dated November 21, 2002, at San Francisco, California.

LORETTA M. LYNCH  
President  
HENRY M. DUQUE  
CARL W. WOOD  
MICHAEL R. PEEVEY  
Commissioners

Commissioner Geoffrey F. Brown, being necessarily absent, did not participate.